

# **THE HANFORD SITE WORK FORCE RESTRUCTURING PLAN**

## **Part IV - Programs for Separated Workers**

### **MEDICAL BENEFITS**

**Medical Benefits for Enhanced Retirement, Voluntarily, and Involuntarily Separated Workers**

### **SEPARATION INCENTIVE PROGRAMS:**

- **Enhanced retirement and voluntary reductions of force**
- **Involuntary Reduction Of Force (IROF)**
- **Termination Payment For Construction Workers**

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## MEDICAL BENEFITS

### Enhanced Retirement

Medical benefits for individuals who accept the enhanced retirement will be in accordance with the applicable early retirement or normal retirement provisions of the employer's established programs. The terms and conditions of other medical-type benefits (such as dental, vision, or life insurance) will also be the same as under applicable provisions of the employer's established program. Retirees will get no additional benefits because they are eligible under this plan.

### Voluntary Reduction of Force (VROF)

Extended medical insurance benefits will be provided to qualifying employees of principal contractors under the provisions outlined under Voluntary Reduction of Force (VROF) on page 30. No other medical-type benefits (such as dental, vision or life insurance) will be provided.

### Involuntary Reduction of Force (IROF)

Extended medical insurance benefits will be provided to qualifying employees of principal contractors who:

- Have been involuntarily separated by a work force restructuring action, and
- Are not otherwise eligible under another program (such as through a new employer or their spouse's medical plan) for such benefits. Special provisions may apply in the event of pre-existing medical conditions. The employee should consult the COBRA notice provided by the employer and guidance from DOE with respect to the Medical Benefits for Displaced Workers, concerning continuing medical coverage under such circumstances.

The extended medical benefits coverage for both VROF and IROF programs is as follows:

#### **COBRA**

The "COBRA rate" is 100% of the cost of medical coverage plus 2% of the cost to offset administrative costs.

- During the first year following separation, the contractor will continue to pay its portion of the former workers medical premium, and the former employee will pay his/her normal share.
- During the second year, the former employee will pay half of the Consolidated Omnibus Budget Reconciliation (COBRA) rate.
- During the third and subsequent years, the former employee will pay the full COBRA rate.

The separated employee must certify eligibility each month to continue participation per the employer's established procedures. Failure to provide timely certification will terminate extended medical insurance benefits.

Eligibility for other medical-type benefits, such as dental, vision, and life insurance, will be in accordance with the employers' established programs for involuntarily separated employees.

#### EMPLOYEE ADVISORY

It is strongly recommended that employees consult with representatives from their Human Resources department to find out how any programs benefit them personally.

## SEPARATION INCENTIVE PROGRAMS

DOE encourages the implementation of voluntary separation programs before implementation of the involuntary aspects of a work force restructuring plan. This helps minimize the number of involuntary layoffs and may help mitigate the impact on Communities.

### Enhanced Retirement

In order to achieve the above goal, a Special Voluntary Retirement Program (SVRP) may be offered to retirement eligible employees of principal contractors containing some or all of the following elements:

- Three years will be added to age and three years will be added to pension credited service for purposes of determining the monthly benefit. Employees who do not need the full three years added to age to reach unreduced pension eligibility age (age 60) may apply these remaining years to service.
- A bridge payment to social security eligibility (age 62) in the amount of \$125 a month will be provided.

Moreover, the following provisions apply to the program:

- Limited Backfilling. "Backfill" hiring or use of subcontract personnel to replace employees who elect this program will be limited to no more than 10 percent of the total number enrolled.
- Limited Reemployment. Individuals who accept the enhanced retirement will not be re-employed at the Hanford Site by the company from which they retire without the prior approval of RL. They also may not perform work funded by their former employer at the Hanford Site through a subcontract, including temporary employment service contracts, personal services subcontracts, general task order assignments, indefinite quantity contracts, basic ordering agreements and consultant contracts for a period of three years from the date of retirement. However, this restriction does not preclude retirees from employment with a fixed-price contractor.

In late 1994, the enhanced retirement program was offered to all retirement eligible (55 years of age and 10 years of service) employees of WHC, BCSR, ICF KH and those employees of BHI who transferred from WHC during the transition period of the ERC. During the course of 1995, the enhanced retirement program may be offered by the remaining principal contractors as one avenue to restructure their work forces.

### Voluntary Reduction of Force (VROF)

As necessary, a targeted VROF program may be offered to those regular full-time and part-time employees, and employees on designated leave of absence programs, of the principal contractors whose skills are considered non-critical. The number of VROF requests honored may be limited at the unilateral option of the employer.

Employees approved for VROF will receive one of the following VROF program packages. Based upon eligibility, they may choose between Option One or Option Two. The program options are, for any employee whose VROF request is honored:

- Option One: A separation payment on the basis of one week's pay per year of service up to a maximum of 26 weeks, medical benefits as described in the provisions for VROF (see page 27), certain education and relocation assistance.
  - Option Two:
    - A. For employees whose employment at the facility, or at another DOE defense nuclear facility, began on or before September 27, 1991, a one-time separation incentive payment of \$15,000 (in lieu of severance pay, education and relocation assistance) and medical benefits as described on page 27.
- OR
- B. For all employees whose employment at the facility, or at another DOE defense nuclear facility, began after September 27, 1991, a one-time separation incentive payment of \$7,500 (in lieu of severance pay, education and relocation assistance) and medical benefits as described on page 27.

All employees who participate in the VROF, under any of the options, will also be eligible to receive outplacement assistance and may continue to use the services of available employee assistance programs.

Any employee participating in the VROF, under any of the options, will not be eligible to be rehired by the contractor from whom they separated or its integrated subcontractors for a period of one year from the date of separation.

### Involuntary Reduction of Force (IROF)

An IROF may be invoked if deemed necessary and may be implemented without first offering a VROF.

The process for involuntary layoffs is outlined by each Hanford contractor in its policy manual for non-represented employees and in applicable labor agreements for represented employees.

Generally, the retention status of each non-represented employee is determined based on foreseeable business requirements, demonstrated performance, versatility, impact on work force diversity goals, and length of service where other factors are relatively equal. Retention lists are reviewed and approved by the organization's management.

Any represented employees impacted will be laid off under the terms and conditions of the labor agreement in effect. The unions will be consulted on layoffs affecting union covered work.

Employees of principal contractors are entitled to a separation payment in the event of separation of employment due to an IROF. The base salary in effect at the time of termination will be used to determine the amount of separation pay. Payment of separation pay is based on one week's pay per year of credited service up to a maximum of 26 weeks total separation pay. In addition, involuntarily separated employees, who meet the Plan eligibility criteria, are eligible for educational assistance, outplacement assistance and relocation stipends among other benefits (see Appendix F). Other conditions of payment will be in accordance with established contractor policies.

#### **ELIGIBILITY MATRIX**

An eligibility matrix for initiatives outlined in this plan is contained in Appendix F.

Involuntarily separated employees will not be eligible for rehire at the Hanford Site by their terminating employer during the separation payment period. If an employee accepts re-employment or recalled to work by the terminating employer at the Hanford Site during the separation payment period, the employee will be expected to repay the entire separation allowance, within one year from the date of reemployment. If not repaid, all service and seniority credits previously accumulated and continuity of service (excluding pension credited service) will be forfeited. The employee will also not be eligible to accrue new separation pay credits until having worked from the date of reemployment for a period equal to the period previously worked to accumulate the paid separation payment.

An analysis will be conducted within all major groups of employees by protected class category to determine where disparate impact might occur. Care will be taken to minimize any adverse impact on work force diversity caused as a result of the restructuring effort. Each contractor will prepare a final report of the impact on all protected groups for management review prior to any non-represented involuntary layoffs.

## Termination Payment for Construction Workers

### **INTERMITTENT WORKERS**

Those interested in other construction and intermittent worker issues should also see Eligibility in Part II of this Plan

Construction workers who meet the eligibility criteria of this plan will receive a one-time termination payment of 40 hours base straight time pay for each 2,080 hours worked on Site up to a maximum of 240 hours base straight time pay. The eligibility requirement includes the completion of an assignment or project without prospect for a follow-on assignment at the site.

Eligible intermittent and construction workers may also receive education assistance, outplacement support, relocation assistance, and preference in hiring in the event of an involuntary separation (see Appendix F for other benefits).